

MEETING NO. **4209**
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **WEDNESDAY, MAY 02, 2018**

10:00 A.M.

RETIREMENT SYSTEMS' CONFERENCE ROOM
ALLY DETROIT CENTER, 500 WOODWARD; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony	Trustee
Scott Benson	Ex-Officio Trustee/City Council Member
Lori Cetlinski	Trustee
Tasha L. Cowan	Trustee/Chair
Kimberly Hall-Wagner	Trustee
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Vice-Chair
Crystal Perkins	Trustee
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Christa Mclellan	Ex-Officio Trustee/City Treasurer
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TRUSTEES ABSENT

None

ALSO PRESENT

David Cetlinski	Executive Director
Gail A. Oxendine	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Kevin Kenneally	Investment Officer
Michael Vanoverbeke	General Counsel
TaKneisha Johnson	Administrative Assistant III

STAFF EXCUSED

None

CHAIRPERSON

Tasha L. Cowan

The Board's Administrative Assistant took a verbal Roll Call at 10:01 a.m. and Chairperson Cowan called the meeting to order.

Present at Roll Call: Tasha L. Cowan, Lori Cetlinski, June Nickleberry, Crystal Perkins and Thomas Sheehan

Re: Legacy Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

RESOLVED, that the application(s) for retirement from the **COMPONENT II (LEGACY) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Bobby J. Grant - TEO - Transportation
SERVICE CREDIT	17-03
EFFECTIVE DATE	04-22-18

NAME, TITLE, DEPARTMENT	Norcott Laird - Sheet Metal Worker - Transportation
SERVICE CREDIT	24-04
EFFECTIVE DATE	05-05-18

NAME, TITLE, DEPARTMENT	Gregory L. Simpson - Storekeeper - Transportation
SERVICE CREDIT	26-05
EFFECTIVE DATE	04-04-18

NAME, TITLE, DEPARTMENT	Satwinder Singh - Elec Instr Ctrl Tech - Water & Sewerage
SERVICE CREDIT	11-11
EFFECTIVE DATE	06-01-18

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Change of Computation

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

RESOLVED, that the application(s) for **CHANGE OF COMPUTATION** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Veronica Swindell - TEO - Transportation
SERVICE CREDIT	11-05
EFFECTIVE DATE	05-02-18

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Hybrid Plan Service Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

RESOLVED, that the application(s) for retirement from the **COMPONENT I (HYBRID) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Rhonda Spencer - Office Support Spec - Water & Sewerage
SERVICE CREDIT	01-09
EFFECTIVE DATE	04-01-18

NAME, TITLE, DEPARTMENT	Vijay Valecha - Chemist - Water & Sewerage
SERVICE CREDIT	01-07
EFFECTIVE DATE	01-01-18

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Auto II- Spouse Retirement(s)

Motion By: Trustee Sheehan - Supported By: Trustee Nickleberry

RESOLVED, that the application(s) for **AUTO II-SPOUSE** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Gary A. Davis (Stephanie Joe-Davis - Deceased) - Voucher Audit Clerk - Finance
SERVICE CREDIT	28-07
EFFECTIVE DATE	12-12-14

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts		HYBLIQRES				
RSCD-General	Start Date:	4/16/2018				
	End Date:	4/30/2018				
Doc. Date	Module	Doc. Nbr.	Description	R/C	Bus. Acct.	Receipt
4/20/2018			Pension Contribution 4/20/18			102,167.61
4/20/2018			Annuity Contribution 4/20/18			66,708.81
4/27/2018			Pension Contribution 4/27/18			248,057.91
4/27/2018			Annuity Contribution 4/27/18			105,257.60
4/24/2018			Hybrid Employer Match General Qrt End 3/31/18			1,882,915.49
4/24/2018			Hybrid Employer Match DDOT Qrt End 3/31/18			445,449.48
4/24/2018			Hybrid Employer Match Library Qrt End 3/31/18			166,193.82
4/24/2018			GRS Additional Contribution by City			3,100,000.00
						<u>6,116,750.72</u>

Cash Receipts		LIQ RESERV				
RSCD-General	Start Date:	4/16/2018				
	End Date:	4/30/2018				
Doc. Date	Module	Doc. Nbr.	Description	R/C	Bus. Acct.	Receipt
4/19/2018	CA	000832	Loan Program deduction 4/20/18	R/C		33,743.76
4/30/2018	CA	000832	Loan Program deduction 4/27/18			39,048.30
						<u>72,792.06</u>
Total Receipts						<u>6,189,542.78</u>

Re: Fees and Expenses

GENERAL RETIREMENT SYSTEM
CITY OF DETROIT

MEETING NO. 4209
MAY 02, 2018

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cetlinski

WHEREAS, the Board has been presented with the List of Disbursements for Board Approval which is referenced below requesting payment for Fees and Expenses, and

WHEREAS, the Board has been requested to approve payment of said Fees and Expenses;
THEREFORE BE IT

RESOLVED, that subject to staff audit and approval of all Legal Fees by the Board's General Counsel, the Board **APPROVE** payment of the following Fees and Expenses:

Disbursements			
Page:		1 of 2	
Date:		4/30/2018 7:42 AM	
Account	Payment Method	Currency	
F ACCT PAY	ACH	US	
Vendor Name	Invoice Number	Invoice Description	Amount To Pay
ADP, INC	512495088	Check Printing Services	8,722.61
American Realty Advisors (ARA)	7005	Management Fees - 1st Qtr '18	10,000.00
Banyan Realty Advisors, LLC	4Q17	Advisory Fees - 4th Qtr '17	18,506.05
Barrow, Hanley, Mewhinney & Strauss, LLC	1Q18	Management Fees - 1st Qtr '18	42,054.00
CLARK HILL, PLC	771721	Onyx Capital Litigation for March 2017	314.50
Cogent Communications, Inc.	040118	Internet Service	1,030.67
EARNEST PARTNERS, LLC	1Q18 DETINTRL	Management Fees - 1st Qtr '18	256,329.64
EARNEST PARTNERS, LLC	1Q18	Management Fees - 1st Qtr '18	45,039.72
Manulife Asset Management U.S., LLC	Q1_2018DETROIT	Management Fees - 1st Qtr '18	46,388.78
NORTHPOINTE CAPITAL, LLC	1Q18	Management Fees - 1st Qtr '18	35,438.49
PIEDMONT INVESTMENT ADVISORS,LLC	INV11935	Management Fees - 1st Qtr '18	18,366.00
THE TOWNSEND GROUP	11619	Professional Services - March 2018	11,250.00
UHY Advisors MI, Inc.	1246628	Professional IT Services for March 2018	87,525.00
UHY Advisors MI, Inc.	1246625	Professional IT Services for March 2018	12,450.00
ULTIMATE PARKING MANAGEMENT LLC	165197	Parking - May 2018	2,449.33
Cash Account/Payment Method Total:		15 Documents	595,864.79
F ACCT PAY	CHECK	US	
Vendor Name	Invoice Number	Invoice Description	Amount To Pay
BARRACUDA NETWORKS, INC	Q-36991-2	E-mail Security License	969.00
CINTAS CORPORATION-300	300220233	Floor Mats	80.70
CREATIVE BREAKTHROUGHS INC	1198719	Software Maintenance	11,650.00
FEDEX	6-140-06792	FedEx Mailings	31.09
FEDEX	6-147-02144	FedEx Mailings	23.86
FEDEX	6-154-00032	FedEx Mailings	23.92
F ACCT PAY	CHECK	US	
Vendor Name	Invoice Number	Invoice Description	Amount To Pay
First CHOICE Coffee Services	545628	Coffee Supplies	174.53
GRAPHIC SCIENCES, INC	0146830-IN	Copier Maintenance Contract Renewal	393.50
Iron Mountain Records Management	PYY8441	Records Storage	1,864.53
QUILL CORPORATION	6199802	Office Supplies	33.99
VANOVERBEKE MICHAUD & TIMMONY, P.C.	9159	General Counsel Matters - Jan 2014 thru Dec 2016	11,576.26
VERIZON WIRELESS	9804265220	Wireless Charges 2/26/18-3/25/18	906.93
WELLS FARGO VENDOR FINANCIAL SVCS,	100338587	Printer Maintenance	129.10
XEROX	092721483	Printer Maintenance	83.61
Cash Account/Payment Method Total:		14 Documents	27,941.02

* Payment amount is estimated based on the effective date 4/30/2018

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Refunds of Accumulated Contributions

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth:

List No. 7358 - \$57,746.68

List No. 7359 - \$621,510.07

including interest, be **REFUNDED**, pending audit by the Retirement Systems' Accounting Staff.

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Employee Loan Program April 25, 2018

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$71,917.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Employee Loan Program May 02, 2018

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **\$18,793.00** including interest, be hereby **APPROVED**.

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Minutes/Journal No. 4206 – (03/21/18)

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

RESOLVED, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4206**, held on **March 21, 2018**, be hereby **APPROVED** as recorded and submitted.

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

Re: Minutes/Journal No. 4207 – (04/04/18)

Motion By: Trustee Sheehan - Supported By: Trustee Cetlinski

RESOLVED, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4207**, held on **April 04, 2018**, be hereby **APPROVED** as recorded and submitted.

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

GENERAL COUNSEL'S REPORT

General Counsel Michael VanOverbeke, in addition to his formal legal report discussed the following matters with the Board:

- MIT FOIA Request
- Domestic Relations Orders (DROS)/Eligible Domestic Relations Orders (EDROS)
 - o Coleman v. Patterson Case No. 16-104516-DO
- Carl Melchior v General Retirement System of the City of Detroit dismissal
- 2017 Corporation Income Tax Return

Motion By: Trustee Sheehan Supported By: Trustee Cetlinski

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO"), dated November 4, 2016, wherein Alycia Coleman, the Alternate Payee, is awarded certain rights to the retirement allowance of Otis Derek Patterson, the Participant, and

WHEREAS, the Retirement System consists of both a defined benefit plan and a defined contribution (a/k/a the Annuity Savings Fund) plan, and

WHEREAS, pursuant to the EDRO, the Alternate Payee is entitled to a portion of both the Participant's defined benefit plan benefits and defined contribution plan benefits payable from the Retirement System, and

WHEREAS, the payments from the plan to the Alternate Payee shall begin when the Participant commences benefits from the Retirement System or upon the Alternate Payee's election, but no time before the Participant's earliest retirement eligibility, and

WHEREAS, the Board's policy is to require that the cost for the actuary's calculations are to be borne by the parties to the domestic relations proceedings and the parties' EDRO provides that the parties are to share these additional actuarial costs equally, and

WHEREAS, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as amended, therefore be it

RESOLVED, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said order upon application by the Participant or the Alternate Payee, and further

RESOLVED, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and further

RESOLVED, that copies of this resolution be sent to Otis Derek Patterson, the Participant; Alycia Coleman, the Alternate Payee; Michael Z. Longo, Esq., attorney for the Alternate Payee; and the Board's Actuary.

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

GENERAL COUNSEL'S REPORT - Continued

Motion by: Trustee Nickleberry– Supported by Trustee Cetlinski, motion to receive and file the order of dismissal with respect to the Carl Melchior vs. General Retirement System case. The Motion passed by a unanimous vote.

Re: GRS Trumbull Corp. and (i) GRS Bacaro Corp.: 2017 Tax Return

Resolution Moved By: Trustee Sheehan – Supported By: Trustee Cetlinski

WHEREAS, the General Retirement System is the sole shareholder of (i) GRS Trumbull Corp. and (i) GRS Bacaro Corp,

WHEREAS, the Board has been requested to approve the execution of the 2017 U.S. Income Tax returns for each of the foregoing corporations and a State of Mississippi tax return for GRS Bacaro Corp. by an officer of the respective Corporations,

WHEREAS, the execution of said document has been recommended by the Board's special legal counsel F. Logan Davidson,

WHEREAS, the execution of said document has been reviewed and approved as to form by the Board's legal counsel and the execution of said document is consistent with prior action of the Board,

RESOLVED, that said documents be executed by the appropriate corporate officers on behalf of the respective corporations, and be it further

RESOLVED, that the 2017 Mississippi Franchise Tax of \$3,418.00 be paid by the Retirement System's real estate advisor, American Realty Advisors, on behalf of GRS Bacaro Corp.

Yeas: Cetlinski, Nickleberry, Perkins, Sheehan and Chairperson Cowan – 5

Nays: None

Entry in Minutes**Re: GRS Trumbull Corp. and (i) GRS Bacaro Corp.: 2017 Tax Return**

The Board of Trustees has been made aware of the execution of the 2017 U.S. Corporation Income Tax Return for each of the foregoing corporations and a State of Mississippi tax return for GRS Bacaro. Corp. by an officer of the respective corporations.

- ***Trustee Kimberly Hall-Wagner entered the Boardroom at 10:09 a.m.***
- ***Trustee Scott Benson entered the Boardroom at 10:20 a.m.***

- ***The Board of Trustees recessed for a brief break at 10:15 a.m. and reconvened at 10:25 a.m.***

Re: Entering into Closed Session

Resolution Moved By: Trustee Sheehan – Supported By: Trustee Perkins

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act (“OMA”) being MCL 15.261 et seq. and has adopted a resolution on October 24, 2012 relative thereto; **THEREFORE BE IT**

RESOLVED, that the Board enter into Closed Session to discuss pending litigation matters regarding Carpenters/Book Cadillac Litigation.

A Roll Call Vote was taken as follows:

Yeas: Benson, Cetlinski, Hall-Wagner, Nickleberry, Perkins, Sheehan
and Chairperson Cowan – 7

Nays: None

The Board entered into **Closed Session** at 10:26 a.m.

- ***Trustee Wendell Anthony entered the Boardroom at 10:28 a.m.***
➤ ***Trustee John Naglick entered the Boardroom at 10:38 a.m.***

➤ ***Trustee Nickleberry excused herself from the Boardroom at 11:21 a.m.***

Re: Open Session

Motion By: Trustee Sheehan – Supported By: Trustee Perkins

RESOLVED, that the Board come out of Closed Session.

Yeas: Anthony, Benson, Cetlinski, Hall-Wagner, Naglick, Perkins, Sheehan
and Chairperson Cowan – 8

Nays: None

The Board returned to **Open Session** at 11:31 a.m.

- ***The Board of Trustees recessed for a break at 11:31 a.m. and reconvened at 11:45 a.m.***

Presentation: Gabriel, Roeder, Smith and Company

Representatives from Gabriel, Roeder, Smith and Company Judith Kermans and Kenneth Alberts discussed the following with the Board of Trustees:

- Annual Actuarial Valuation of Component II: June 30, 2017

- ***Trustee Hall-Wagner excused herself from the Boardroom at 12:31 p.m.***
- ***Trustee Benson excused himself from the Boardroom at 12:35 p.m.***
- ***Trustee Naglick excused himself from the Boardroom at 12:55 p.m.***

Motion by: Trustee Sheehan– Supported by Trustee Cetlinski, motion to approve and receive the Annual Actuarial Valuation of Component II as delivered by the Board's actuary. The Motion passed by a unanimous vote.

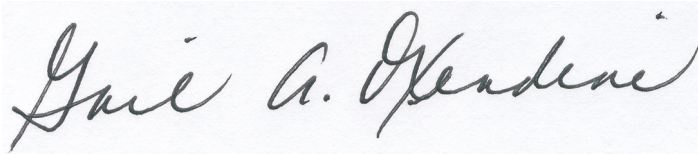
NEW BUSINESS/OLD BUSINESS

None

ADJOURNMENT

There being no further business before the Board, **Chairperson Cowan** adjourned the meeting at 1:03 p.m. The Board's next meeting is scheduled for **Wednesday, May 16th, 2018**, at 10:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,

A handwritten signature in black ink, reading "Gail A. Oxendine", is displayed on a light blue rectangular background.

GAIL A. OXENDINE, ASSISTANT EXECUTIVE DIRECTOR